



Chair Delgado, Committee Chair McCallon, and Members of the Governing Board
South Coast Air Quality Management District (South Coast AQMD)
21865 Copley Drive
Diamond Bar, CA 91765
Email: vdelgado@aqmd.gov
lmccallon@aqmd.gov
Clerk of the Board, cob@aqmd.gov

RE: Stationary Source Committee Agenda Item No. 2 – Appliance Rule Amendments to Rules 1111 and 1121

Dear Chair Delgado, Committee Chair McCallon, and Members of the Board:

Los Angeles Climate Reality Project continues to support South Coast AQMD's efforts to clean up appliance pollution by creating zero-NOx standards. If done right, amending Rules 1111 and 1121 to achieve zero-NOx for furnaces and water heaters could have achieved more emissions reductions than any other effort passed in over three decades.

We appreciate the benefits of the latest approach proposed by staff. By setting manufacturer-level sales targets, the rules have been simplified significantly, while offering flexibility to any building owner who decides that a zero-emission solution does not work for them when it comes time to replace their existing equipment. In one fell swoop, staff has essentially addressed all affordability and feasibility concerns related to zero emission equipment.

We also agree with the decision to continue mandating zero-emission equipment for new construction. When a building is under construction or undergoing a substantial remodel is the easiest and most affordable time to implement zero-emission equipment. Although this is likely not something that AQMD can easily enforce, it creates a straightforward pathway for enforcement at the local level.

At the same time, the estimated emissions reductions in the revised concept are extremely disappointing. We are concerned that the current proposal does not deliver the necessary NOx reductions over the near, medium, or even the long-term. It appears that the current proposal does not achieve the emission reduction commitments made in the 2022 AQMP.

We believe that with the new flexible structure there was no need to reduce the furnace applicability from 2 million Btu/hr back down to 175,000 Btu/hr. This change reduces the impact of the rule significantly. If this was done to address hypothetical affordability concerns for schools when their gas furnaces break years into the future, we believe this concern is addressed by giving all building owners flexibility as this proposal does. We appreciate that these devices

can be addressed in a separate rule, but do not appreciate the prospect of another year or more of contentious rulemaking to get this done.

The proposed sales targets for 2027 and 2029 in PAR 1111 and 1121 also appear not to accurately account for the rapid growth in heat pump and heat pump water heater adoption over the past few years. Nationally, for example, heat pump water heater sales have increased 20% per year on average for the past 10 years, and above 30% annually in the past two years. Setting a target for zero-emission unit sales that does not meaningfully exceed where sales would be absent AQMD policy does not send a market signal to reduce costs for both appliances and installations.

We believe it is possible to adjust the targets in the rules to more accurately reflect where the zero-emission residential space heating and water heating market is likely to be in 2027, and to adjust future sales targets to improve the emission reduction potential of this rule while keeping flexibility for homeowners and other building owners. Tweaking the details in the plan while keeping the overall design of the plan intact should also not delay a final vote on the rule in May.

We urge the Board to align these rules with more meaningful emissions reductions and adopt these rules in May without further delay.

Sincerely,

Charles Miller
Chapter Chair
Los Angeles Climate Reality Project

CC: Wayne Nastri, Michael Krause, Heather Farr